

ILLINOIS DEPARTMENT OF REVENUE
CONTRACTUAL AGREEMENT

Village of Westmont
31 West Quincy Street
Westmont, IL 60559

Federal Employers Identification No: 36-6006151 hereinafter referred to as Contractor or Contractor, and the State of Illinois, Department of Revenue, herein referred to as the Department, in consideration of the mutual covenant herein contained, agree as follows:

1. NATURE AND CONDITIONS OF ASSIGNMENT

The Contractor agrees to provide the following goods and/or services to the Department; which goods and/or services shall be expected to meet acceptable levels of performance:

In the event of a conflict between the State's and the Contractor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

A. The number of tobacco retailers affected by this Agreement is determined to be 32.

B. A Contractor not participating in the FY 2016 Tobacco Enforcement Program (July 1, 2015 - June 30, 2016) is required to participate in an Annual Conference Call to review program assurances. Conference calls will be scheduled for the beginning of August 2016. A Contractor participating in the FY 2016 Tobacco Enforcement Program will be given the opportunity to participate if it desires.

C. The Contractor is required to contact each tobacco retailer, informing them of their participation in the program and that minimum-age tobacco laws will be enforced. This contact may be in person or in writing. A Contractor not participating in the FY 2016 Tobacco Enforcement Program is not allowed to initiate this contact until after their participation in the Annual Conference Call which will review the Tobacco Enforcement Program in detail.

D. the Contractor is required to distribute the Commission's Tobacco Retailer Kit to each tobacco retailer. A Contractor not participating in the FY 2016 Tobacco Enforcement Program must wait until after their participation in the Annual Conference Call to distribute the kits. A contractor must distribute the kits prior to the first round of compliance checks, regardless if the kits were distributed the previous year(s).

E. the Contractor will conduct three compliance checks on each tobacco retailer. The first round of compliance checks is due November 30, 2016; the second round of compliance checks is due February 28, 2017 and the third round of compliance checks is due May 31, 2017. Upon completion of each round of compliance checks, the Contractor will submit a *Tobacco Enforcement Program Summary Report*.

i) Contractors not participating in the program from the time period between July 1, 2015 and June 30, 2016 are required to issue written warnings for first round violations.

ii) Contractors participating in the program from the time period between July 1, 2015 and June 30, 2016 may elect to issue warnings or citations for first round violations.

iii) After the first round, all Contractors must assess monetary fines to all violators regardless if the tobacco retailer's first round compliance check resulted in a non-violation, warning or citation.

iv) The Contractor will recruit youth workers that are 16 or 17 years of age as the underage minor when conducting the required compliance checks.

v) Contractors receiving written permission from the Commission may elect to replace one round of retail compliance checks with one round of possession enforcement. Written permission from the Commission will include: the round of retail compliance checks which is to be replaced with possession enforcement; and the number of hours the Contractor will dedicate to possession enforcement. During possession enforcement, any minor found in possession will be given an "Illinois Tobacco Quitline" card to encourage access to cessation classes. The "Illinois Tobacco Quitline" cards will be provided to the Contractor by the Department.

F. Mandatory attendance or documentation of prior attendance at an Illinois Law Enforcement Training and Standards Board (ILETSB) state certified class for conducting compliance checks is required by at least one individual supervising your compliance checks every three years. The Contractor may elect to attend a Commission sponsored class which meets the Tobacco Enforcement Program requirements and timelines. For Commission sponsored classes, the Commission assumes responsibility for all registration fees, however Contractors are responsible for their travel related costs.

G. As required by state law, Contractors must have written procedures for conducting compliance checks. Written procedures can be submitted after attending an ILETSB certified compliance check training class and are due no later than October 28, 2016.

H. The Contractor is required to show proof of insurance meeting the requirements in section "12. Liability and Insurance" of this contract. If during the contract time period the proof of insurance document provided expires, the Contractor will provide updated proof of insurance.

I. Request for Grant Payment will be made by the Commission immediately after the Contractor's scheduled time for the Annual Conference Call provided the Contractor is compliant with grant requirements.

i) Permissible expenditures of the grant payment include but are not limited to: payroll and payroll related expenses incurred individuals conducting work related to the grant requirements with the individuals including Administrative staff, enforcement officers and minors; travel related expenses including vehicle costs/maintenance; training cost for officers and/or minors; purchase of tobacco products and meal allowances; software and/or equipment purchase for training; equipment purchases for inspections; and educational and/or training materials to supplement the Tobacco Retailer Kit or other youth access prevention materials. Questions regarding acceptable expenditures should be directed to Meagan Sharkey of the Commission.

ii) Contractors receiving grants in excess of \$25,000 must submit quarterly reports describing the progress of the program and the expenditure of grant funds.

iii) Any funds not expended by June 30, 2017 must be returned to the Commission within 45 days.

2. PAYMENT FOR SERVICES

The amount payable for the services rendered shall be \$3520. No other charge by the Contractor may be paid for services rendered under this agreement without the written approval of the Department.

3. REIMBURSEMENT FOR EXPENSES

The Contractor will not be eligible for reimbursement by the Department of any expenses that the Contractor accrues in performance of this Agreement.

4. GEOGRAPHIC AREA SERVED

The Contractor shall accept assignments within the following geographic area:
State of Illinois.

5. DURATION OF AGREEMENT

This agreement shall begin on August 1, 2016, and remain in effect until June 30, 2017. No payment shall be made for services rendered prior to the effective date of this agreement.

6. TERMINATION

Each party reserves the right to terminate this contract at any time on 30 days written notice to the other party. In the event of default or non-compliance with the terms of this contract, it may be terminated immediately. In the event of termination, the Department shall not be liable for amounts other than payments for services hereunder which have accrued up to the date of termination.

7. TAX LAW COMPLIANCE

The Contractor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.

8. VOUCHERS

The Department shall submit, on behalf of the Contractor, vouchers for payments under this agreement monthly, semi-annually, or annually; the Contractor shall account for the completion of work on such forms and under such procedures as are required by the Department. Vouchers submitted more than thirty (30) days following termination of this agreement or later than thirty (30) days following the end of the fiscal year (June 30, 2017), will not be honored by the Department.

9. EMPLOYMENT STATUS

Contractor acknowledges that for purposes of the Illinois Pension Code, the State Employees' Group Insurance Program and other benefits provided to persons who are on the regular payroll of the State, the services rendered pursuant to this agreement are not rendered as an employee of the State and amounts paid pursuant to this agreement do not constitute compensation paid to an employee for such purposes.

10. LAWS OF ILLINOIS

This contract shall be governed by Illinois law and administrative rule including the Standard Procurement Rules. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims, or if jurisdiction is not accepted, then with the appropriate state or federal court located in Sangamon County, Illinois (705 ILCS 505/1).

11. CONFIDENTIALITY

1. CONFIDENTIALITY OF TAX RETURN INFORMATION. Services provided to the Department by Contractor may require Contractor to have access to and use of documents and data which may contain tax return information. Tax returns and tax return information are confidential and may not be disclosed under Illinois or federal law, including, but not limited to, 35 ILCS 5/917, 35 ILCS 120/11, 26 U.S.C. 7213, and 26 U.S.C. 7431. These statutes provide for the imposition of criminal penalties for improper disclosure of confidential tax return information. Contractor agrees that it shall keep confidential all tax returns and tax return information that it accesses and uses in performance of its services to the Department and will not provide it to any third party unless approved in writing by the Department. Contractor agrees to protect such information from unauthorized disclosure by it and its employees and by

its corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties. Contractor further agrees to inform its personnel having access to such information of the confidential and statutorily protected nature of tax information and of the penalties associated with improper use or disclosure of such information.

2. CONFIDENTIALITY OF PROCESSES AND PROCEDURES. Services provided to the Department by Contractor may require Contractor to have access to and use of processes and procedures employed by the Department in its administration of the Illinois tax acts. These processes and procedures are the property of the Department and are highly confidential. Contractor agrees that it shall keep confidential any and all information concerning such systems, processes, and procedures and will not provide it to any third party. Contractor further agrees to protect such information from unauthorized disclosure by Contractor and its employees and by Contractor's corporate affiliates and their employees and to strictly limit access to such information to its personnel who require said information to perform their duties.

12. LIABILITY AND INSURANCE

The State does not assume any liability for acts or omissions of Contractor and such liability rests solely with Contractor. The State is unable to indemnify or hold harmless any contractor for claims based on the State's use of the contractor provided goods and services including software. Any liability for damages that the State might have is expressly limited by and subject to the provisions of the Illinois Court of Claims Act and to the availability of suitable appropriations. Contractor shall carry public liability, casualty and auto insurance in sufficient amount to protect the State from liability for acts of Contractor. Minimum acceptable coverage for bodily injury shall be \$250,000 per person and \$500,000 per occurrence and for property damage, \$100,000 per occurrence. Contractor shall carry Worker's Compensation Insurance in amount required by law. Contractor shall provide proof of insurance prior to the first payment by the Department to the Contractor.

If risk of loss transfers before delivery and installation at State's site, Contractor shall procure insurance chargeable to the State to cover all reasonable risks.

The State may self-insure against any and all risks.

13. APPLICABLE LAW

This agreement and contractor's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and state laws. This agreement shall be construed in accordance with the laws of the State of Illinois.

14. LEGAL ABILITY TO CONTRACT: Contractor certifies it is under no legal prohibition on contracting with the State of Illinois, has no known conflicts of interest and further specifically certifies that:

- a. Contractor, its employees and subcontractors will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this Contract.
- b. Contractor is not in default on an educational loan (5 ILCS 385/3).
- c. Contractor (if an individual, sole proprietor, or partner) has informed the Director of the Department in writing if he/she was formerly employed by the Department and has received an early retirement incentive prior to 1993

under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. Contractor has not received an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items (30 ILCS 105/15a).

- d. Contractor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer, and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80).
- e. Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Contractor made an admission of guilt of such conduct that is a matter of record (30 ILCS 500/50-5).
- f. If Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
- g. If Contractor, or any officer, director, partner, or other managerial agent of Contractor, has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, at least five years have passed since the date of the conviction. Contractor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the Contract void if this certification is false (30 ILCS 500/50-10.5).
- h. Contractor and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Contractor and its affiliates acknowledge the State may declare the Contract void if this certification is false (30 ILCS 500/50-11) or if Contractor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).
- i. Contractor and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the Contract being declared void.
- j. Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five years, and is therefore not barred from being awarded a contract. If the State later determines that this certification was falsely made by the Contractor, the Contractor acknowledges that the State may declare the Contract void (30 ILCS 500/50-14).
- k. Contractor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Contractor accepted any

money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).

- l. Contractor is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- m. Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
- n. In accordance with the Steel Products Procurement Act, steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Department grants an exception (30 ILCS 565).
- o. Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace and Contractor and its employees shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the Contract. This certification applies to contracts of \$5000 or more with individuals; and to entities with 25 or more employees (30 ILCS 580).
- p. Neither Contractor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- q. Contractor has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
- r. Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- s. Contractor does not pay dues to, or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).
- t. Contractor complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
- u. Contractor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the Contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
- v. Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State until the violation is mitigated".
- w. Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local

governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

- x. In accordance with Public Act 095-0307, all information technology, including electronic information, software, systems and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at www.dhs.state.il.us/iitaa.
- y. Contractor has disclosed if required, on forms provided by the State, and agrees it is under a continuing obligation to disclose to the State, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit Contractor from having or continuing the Contract. This includes, but is not limited to conflicts under the "Infrastructure Task Force Fee Prohibition" section of the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50), or those which may conflict in any manner with the Contractor's obligation under this Contract. Contractor shall not employ any person with a conflict to perform under this Contract. If any elected or appointed State officer or employee, or the spouse or minor child of same has any ownership or financial interest in the Contractor or the Contract, Contractor certifies it has disclosed that information to the State if required, on forms provided by the State, and any waiver of the conflict has been issued in accordance with applicable law and rule. A waiver is required if:
 - a) the person intending to contract with the State, their spouse or child: (i) holds an elective office in Illinois; (ii) holds a seat in the Illinois General Assembly; (iii) is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority; or holds an appointed position or is employed in any of the offices or agencies of the State government and who receives compensation for such employment in excess of 60% of the salary of the Governor (currently \$106,447.20). (The conflict of interest threshold of 60% of the Governor's salary set forth in Section 50-13 does not apply to elective office holders, legislators, and officers or employees of the Capital Development Board or the Illinois Toll Highway Authority.);
 - b) the contract is with a firm, partnership, association or corporation in which a person referenced in a) above receives more than 7.5% of the total distributable income or an amount in excess of the salary of the Governor (currently \$177,412.00).
 - c) the contract is with a firm, partnership, association or corporation in which a person referenced in b) above, together with their spouse or minor child, receives more than 15% in the aggregate of the total distributable income or an amount in excess of 2 times the salary of the Governor (currently \$354,824.00) from the firm, partnership, association or corporation.
- z. Contractor, as defined in Public Act 95-971, certifies that it has read, understands, and is in compliance with the Act and will not make a contribution that will violate the Act. In general, Public Act 95-0971 contains new registration and reporting requirements for certain Contractors, as well as limitations on political contributions by certain Contractors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

Contractor certifies, in accordance with Public Act 95-971, as applicable:

☐ Contractor is not required to register as a business entity with the State Board of Elections.

or

☐ Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the certificate of registration is attached.

Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this foregoing certification is false or if the Contractor (or any of its Affiliated Persons or Entities) engages in conduct that violates Public Act 95-0971.

15. BACKGROUND CHECK

The State may conduct criminal and driver history background checks of CONTRACTOR'S officers, employees or agents who would directly supervise or physically perform the CONTRACT requirements at State facilities. Any such officer, employee or agent deemed unsuitable by the State must be replaced immediately.

16. AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60)

This [grant/contract] is contingent upon and subject to the availability of sufficient funds. The Department may terminate or suspend this [grant/contract], in whole or in part, without penalty or further payment being required, if (i) sufficient State funds have not been appropriated to the Department [or sufficient Federal funds have not been made available to the Department by the Federal funding source], (ii) the Governor or the Department reserves appropriated funds, or (iii) the Governor or the Department determines that appropriated funds [or Federal funds] may not be available for payment. The Department shall provide notice, in writing, to [Provider] of any such funding failure and its election to terminate or suspend this [grant/contract] as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon [Provider's] receipt of notice.

17. SOLICITATION AND EMPLOYMENT

CONTRACTOR shall not employ any person employed by the Department at any time during the term of this CONTRACT to perform any work required by the terms of this CONTRACT. As a condition of this CONTRACT, the CONTRACTOR shall give notice immediately to the Department's director if CONTRACTOR solicits or intends to solicit for employment any of the Department's employees during the term of this CONTRACT. The Department has no authority to contractually refuse to hire CONTRACTOR'S employees who apply to the State for employment.

18. FISCAL FUNDING

Obligations of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly funding source fails to appropriate or otherwise make available sufficient funds for this agreement.

19. SUBCONTRACTING AND ASSIGNMENTS

Subcontracting, assignment or transfer of all or part of the interests of contractor in the work covered by this agreement shall be prohibited without prior written consent of the Department. In the event the Department gives such consent, the terms and conditions of this agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as contractor is hereby bound and obligated. Any contract with a subcontractor shall provide that the subcontractor shall maintain, for a minimum

of five (5) years after the completion of the subcontract, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract and that the Department of Revenue and Auditor General shall have the right to audit the books, records and supporting documents of any subcontractor within said five (5) year period. The contract shall also provide, that the subcontractor will fully cooperate with the department or Auditor General during the course of any audit.

20. BREACH

Failure of Contractor to perform as specified is cause for immediate termination of the contract at the option of the Department, without limitation upon any other relief available to the Department.

21. RIGHT TO AUDIT

The Contractor is required to permit the grantor Department, the Auditor General, or the Attorney General to inspect and audit any books, records, or papers related to the program, project, or use of which grant funds were provided.

AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65): Contractor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Contractor for a period of three years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Contractor and its subcontractors must retain its records for five years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Department, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Contractor or subcontractors shall not impose a charge for audit or examination of the Contractor's books and records.

"The Contractor certifies under oath that all information in the grant agreement is true and correct to the best of the Contractor's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of the grant funds is conditioned upon such certification."